

**STATEMENT OF**  
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**U.S. GENERAL SERVICES ADMINISTRATION**  
**BEFORE THE**  
**SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,**  
**PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT**  
**COMMITTEE ON TRANSPORTATION AND**  
**INFRASTRUCTURE**  
**U.S. HOUSE OF REPRESENTATIVES**  
**October 27, 2009**



Good morning Chairwoman Norton, Ranking Member Diaz-Balart, and members of this Subcommittee. My name is Robert A. Peck and I am the Commissioner of the General Services Administration's (GSA) Public Buildings Service (PBS). Thank you for inviting me to appear before you today to discuss GSA's contribution to our nation's economic recovery through the green modernization and construction of our buildings.

We continue to follow our aggressive schedule of awarding Recovery Act funded projects and delivering a higher performing, green building inventory. As of today, GSA has obligated over \$1.4 billion for Federal building construction and renovation projects funded by the Recovery Act and expended over \$57 million. We exceeded our goal of obligating \$1 billion of Recovery Act funds by August 1, 2009 and we are well on our way to obligate another \$1 billion by the end of the calendar year.

GSA's Public Buildings Service is one of the largest and most diversified public real estate organizations in the world. Our inventory consists of over 8,600 owned and leased assets with nearly 354 million square feet of space across all 50 states, 6 territories, and the District of Columbia. Our portfolio is composed primarily of office buildings and courthouses, land ports of entry, and warehouses. GSA's goal is to manage these assets responsibly while delivering and maintaining superior workplaces at best value to our client agencies and the American taxpayer.

The American Recovery and Reinvestment Act of 2009 (the Recovery Act) gave us an unprecedented and exciting opportunity to contribute to our nation's economic recovery. The investments we are making in our public buildings are helping to stimulate job growth and retention in the construction and real estate sectors, and are intended to reduce energy consumption in our buildings, improve the environmental performance of our real estate inventory, reduce our backlog of repair and maintenance needs, and increase the overall value of our assets.

### Progress

Our infrastructure investments are stimulating the economy. We project that 60,283 jobs-years will be created from the \$5.546 billion in Recovery Act funding allocated to GSA. This projection is based on the Council on Economic Advisers' May 2009 "Estimates of Job Creation from the American Recovery and Reinvestment Act of 2009." Initial reports indicate that as of October 23, 2009, GSA's Recovery Act funding recipients have created or retained 773 jobs as a direct result of Recovery Act funding, based on outlays to date of \$57 million.

While contract award is the catalyst for money flowing through economy, it is important to note that Recovery Act funds do not flow immediately following a

contract award. Rather, payments to contractors for progress made provide steady support for our economy over an extended period – not a jolt that lasts only a few months. These are positive preliminary indications of GSA's contribution to the economic recovery.

We are also leveraging our Recovery Act investments to turn our large, varied and stable inventory of buildings into a proving ground for green building technologies, materials, and operating regimes. By adopting new ideas and products, then evaluating and publicizing our results, GSA is working to become the "go to" source for data on the environmental and economic payback of new systems and procedures. Our investments in innovative technologies and alternative energy solutions are leading the transformation to a new green economy.

In addition to our construction program we are moving forward with several large leases that will also stimulate the economy by providing rental payments in excess of \$25 million dollars annually. Tenants are being relocated out of our Federal buildings to expedite the renovation process.

#### Managing, Tracking and Reporting Building Projects

As we move forward with our infrastructure investments, we have set interim target dates for project awards in each quarter to ensure we obligate \$5 billion of the \$5.5 billion we received in Recovery Act funds by the end of fiscal year 2010. We established tracking and reporting systems to help us meet our reporting requirements and better manage our projects. We are monitoring our project variances as "early warning" signals of project slippage.

We will provide you with a list of all obligations we have made as of today. Major projects that have received Recovery Act funding as of October 14, 2009 include:

AL	Birmingham	Robert Vance Federal Building Courthouse
AL	Montgomery	Frank Johnson Courthouse Complex
AR	Little Rock	U.S. Courthouse (escalation)
AZ	Nogales	Nogales West U.S. Land Port of Entry
CA	Otay Mesa	U.S. Land Port of Entry
CA	San Francisco	50 United Nations Plaza
CA	Los Angeles	LA 300 North LA Federal Building
CA	San Francisco	Phillip Burton Federal Building Courthouse
CA	Oakland	Ronald Dellums Federal Building
CA	Bakersfield	U.S. Courthouse
CO	Lakewood	Denver Federal Center Infrastructure
CO	Lakewood	Denver Federal Center - Multiple Buildings
CO	Boulder	David Skaggs Research Center
CO	Denver	Byron Rogers Federal Building
DC	Washington	Herbert Hoover Building (Phase II and III)
DC	Washington	DHS Consolidation and Development of St. Elizabeths Campus

DC	Washington	Department of Interior Building (Phase IV)
DC	Washington	Mary Switzer (Phase II)
DC	Washington	St. Elizabeths West Campus Infrastructure
DC	Washington	1800 F Street Building (Phase I)
DC	Washington	Truman Building
DC	Washington	Lafayette (Phase I)
FL	Orlando	Young U.S. Courthouse
FL	Tampa	Sam M. Gibbons US Courthouse (escalation)
GA	Chamblee	IRS Annex
GA	Atlanta	Richard B. Russell Federal Building Courthouse
HI	Honolulu	Prince Kuhio Kanaiana'ole Federal Building-Courthouse (Phase I)
HI	Hilo	Federal Building (escalation)
IA	Des Moines	Neal Smith Federal Building
IA	Sioux City	Federal Building & US Courthouse
IL	Chicago	Chicago Federal Center
IL	Chicago	Kluczynski Federal Building & U.S. Postal Service Loop Station
IL	Chicago	536 S. Clark Street Federal Building
IL	Chicago	Chicago State Street South - 10 West Jackson
IN	Indianapolis	Birch Bayh U.S. Courthouse
IN	Indianapolis	Indianapolis Minton-Capehart Federal Building
IN	Indianapolis	Major General Emmett J. Bean (Phase I - PV and Design)
KS	Wichita	U.S. Courthouse
KS	Kansas City	Robert Dole Courthouse
KY	Louisville	Romano Mazzoli Federal Building
LA	New Orleans	H Boggs Federal Building Courthouse
MA	Andover	IRS Service Center
MA	Boston	JFK Federal Building
MA	Boston	Thomas P. O'Neill Jr. Federal Building
MA	Boston	John J. Moakley Courthouse
MD	Woodlawn	CMS HQ Complex
ME	Bangor	Margaret Chase Smith U.S. Post Office Courthouse
ME	Calais	U.S. Land Port of Entry (escalation)
ME	Van Buren	U.S. Land Port of Entry
MI	Detroit	McNamara Federal Building Complex
MN	Fort Snelling	Whipple Federal Building
MN	Minneapolis	U.S Courthouse
MO	St. Louis	Goodfellow Federal Complex
MO	St. Louis	Thomas Eagleton U.S. Courthouse
MO	St. Louis	Robert Young Federal Building
MO	St. Louis	Federal Center Building 104
MS	Jackson	U.S. Courthouse (escalation)
MS	Jackson	McCoy Federal Building
MT	Billings	U.S. Courthouse
NC	Asheville	Veatch-Baley Federal Complex
NC	New Bern	U.S. Post Office Courthouse
ND	Fargo	Federal Building-Post Office

NE	North Platte	Federal Building
NE	Omaha	Hruska Courthouse
NE	Lincoln	Robert Denney Federal Building Courthouse
NH	Concord	Warren B. Rudman US Courthouse
NJ	Newark	Peter Rodino Federal Building
NY	New York	Thurgood Marshall U.S. Courthouse (escalation)
NY	Brooklyn	General Post Office
NY	Brooklyn	Emanuel Celler U.S. Courthouse (escalation)
NY	New York	26 Federal Plaza (Plaza Repair)
NY	New York	Manhattan Federal Building--201 Varick St
NY	New York	Queens Joseph P. Addabbo Federal Building
NY	New York	Kings US Court House
NY	Holtsville	IRS Service Center
OH	Cincinnati	John W. Peck Federal Building
OH	Cleveland	A. J. Celebrezze Federal Building
OH	Dayton	Federal Building & US Courthouse
OH	Columbus	Kinneary U.S. Courthouse
OK	Tulsa	U.S. Courthouse
OR	Portland	Edith Green-Wendell Wyatt Federal Building
PA	Philadelphia	US Customs house
PA	Philadelphia	Veterans Administration Center
PR	San Juan	Degatau & Courthouse
PR	San Juan	FBI Field Office Consolidation
RI	Providence	Federal Building US Courthouse
SD	Pierre	Federal Building - U.S. Courthouse
TN	Memphis	Clifford Davis-Odell Horton Federal Building
TX	Austin	U.S. Courthouse
TX	San Antonio	Hippolito Garcia U.S. Courthouse
TX	Houston	G.T Leland Federal Building
TX	Galveston	U.S. Post Office and Courthouse
TX	Fort Worth	F. G. Lanham Federal Building
UT	Ogden	IRS Service Center
VA	Richmond	Robert Merhige Courthouse
VA	Roanoke	Poff Federal Building
WA	Blaine	Peace Arch Land Port of Entry
WA	Seattle	Federal Center South
WV	Charleston	Robert C. Byrd Federal Building & Courthouse
WV	Huntington	Federal Building
WV	Martinsburg	244 Needy Road

The projects we have funded vary in scope, type, and region; they cover our entire portfolio. For example, in Austin, Texas we are building a new courthouse that incorporates many innovative green features such as high-efficiency heating, ventilation and air conditioning (HVAC) systems and extensive use of natural light. I attended that groundbreaking ceremony on September 2<sup>nd</sup>, and I'm excited that we're building this courthouse to achieve Leadership in Energy and Environmental Design (LEED) Silver certification through the U.S. Green Building Council. Construction began in September and site preparation work has

commenced. Excavation for the lower level is 80% complete, and drilled piers will be installed beginning in mid-November, 2009. The project team has reviewed the design and added additional high-performance green building features to the project, including recycled interior finish materials and a highly insulated cool roof.

Our progress toward the consolidation of the Department of Homeland Security (DHS) at St. Elizabeths in Washington, D.C. is on track. As we committed, we awarded a \$435 million contract, of which \$162 million was funded by the Recovery Act, for the design of a new, energy efficient 1.18 million square foot Coast Guard Headquarters in August, 2009. Of this total amount, \$127.7 million is from GSA and \$34.5 million is from DHS. We made the award to Clark Design Build, LLC, a contractor in the Washington metro area. The St Elizabeths project is the Washington metro area's largest Federal project since construction of the Pentagon, and will help revitalize and spur additional development in Southeast Washington's Anacostia community. The DHS Headquarters will feature green roofs, landscaped courtyards to capture and reuse surface water runoff, and innovative heating, ventilation and air conditioning systems.

We held an "Industry Day" regarding the DHS Headquarters project at the Ronald Reagan Building on October 26, 2009. This event was open to interested individuals and to businesses both large and small. We discussed the project's development schedule and prospectus overview, and we detailed GSA and DHS strategies for including small businesses as prime contractors and subcontractors. The Industry Day provided premier networking opportunities for business owners, and successfully helped us to raise industry awareness of St. Elizabeths project opportunities.

We have started work on a new energy-efficient U.S. courthouse in Billings, Montana, which will also be built to achieve LEED Silver certification. We contracted with a local service disabled veteran-owned business to perform the demolition work on this Recovery Act-funded project. As part of a high-performance green building construction project, even the demolition will incorporate green practices. For example, construction waste is being recycled wherever possible, nearby trees are being protected, and concrete from the old buildings' foundations is being salvaged for use as structural fill. This new courthouse will also provide Federal office space upon completion, which is scheduled for early 2013. This U.S. Courthouse project is creating local jobs and will serve as a green landmark in downtown Billings.

In addition to funding new project starts, we are improving projects already underway by adding new high performance green features. In many cases, these features were not previously available on the market or may not have been possible given other constraints. One example, a contract for the renovation of the façade and windows of the historic Brooklyn General Post Office, was awarded for \$53 million in July 2009, and is allowing us to both improve the

energy performance of the facility and complete another aspect of the renovation of this significant historic asset. At the Margaret Chase Smith Building in Bangor, Maine, we will be able to significantly reduce our energy consumption and obtain LEED certification by upgrading or replacing windows, HVAC, and electrical systems. While the building's current design reduces energy usage (BTUs/GSF) by half, reducing it significantly below the energy targets, we will further improve performance by incorporating many Smart Building features like the ones I have just described.

### Recipient Reporting

The Recovery Act requires contractors and other recipients of Recovery Act funds from GSA to submit quarterly reports: The first reporting period will be complete on October 31. Recipients report information such as: Award (statistics, date, and amount); Sub-Awards; Project Status; Number and Description of Jobs Created and Retained; Project Delivery; and Highly Compensated Officers. Prime Recipients must report similar information on behalf of each Sub-Recipient.

For this initial reporting period, we planned and utilized a multimedia approach to ensure recipients were aware of the quarterly reporting requirement. We telephoned our prime recipients directing them to the [FederalReporting.gov](http://FederalReporting.gov) website used to register and report, we e-mailed Recipient Reporting Guidance to all recipients, we provided pre-populated report templates, and we posted guidance to the [gsa.gov/recovery](http://gsa.gov/recovery) website. We also established a call center to assist recipients with any questions about reporting. Our recipients have provided a lot of positive feedback about GSA's call center, and have expressed gratitude to our staff for assisting with the reporting process. I am proud to report that as of October 21, 2009, 99% of PBS' Prime Recipients have reported.

### Pre-apprenticeship

We are excited that apprenticeship and pre-apprenticeship programs are an integral part of our Recovery Act projects. With regard to pre-apprenticeship programs, GSA launched the program with two contract awards to Community Services Agency of the Metropolitan Washington Council, AFL-CIO in Washington, D.C.; and Oregon Tradeswomen Inc. in Portland, Ore. GSA's two initial awards, worth \$1.8 million, will enroll more than 400 unemployed people, and GSA will soon expand the program to other cities. GSA will work with the Department of Labor to place the program graduates in registered apprenticeship programs at construction sites across the country, where they will receive on-the-job experience and trade certification.

GSA has initiated the process of soliciting for additional candidate organizations for pre-apprenticeship training programs in the other eight identified high unemployment areas. The pre-solicitation notice was advertised on September

28, 2009. The Solicitation was issued and released on October 14, 2009, with proposals due on November 13, 2009.

#### Project Labor Agreements (PLA)

Finally, we have identified 10 large Recovery Act projects, representing \$1.25 billion in Recovery Act spending, located in seven states and the District of Columbia, where Project Labor Agreements (PLAs) may be used, as appropriate. For example, we are currently researching the market in San Francisco, CA, Honolulu, HI, and Portland, OR to determine the feasibility of PLAs for Recovery Act projects in those cities.

A PLA is a collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project, promoting the efficient and expeditious completion of the project. This is consistent with the President's new executive order encouraging executive agencies to consider the use of PLAs in connection with large-scale Federal construction projects.

#### Support to other Agencies

We also support the real estate needs of other agencies which have received Recovery Act funding, such as the Social Security Administration (SSA), the Department of State, the National Oceanic and Atmospheric Administration (NOAA), DHS, and DHS Customs and Border Protection (CBP). To date, we have received reimbursable work authorizations (RWAs) totaling \$293 million across 24 Recovery Act RWAs. This amount is the agreed-upon cost estimate for the scopes of work, and will be obligated as awards are made to various vendors. We anticipate receiving approximately \$1 billion in total funding for Recovery Act projects from our customer agencies.

- As part of the Recovery Act, GSA is expecting to receive approximately \$400 million from SSA for a new National Support Center to replace the existing National Computer Center in Woodlawn, Maryland. SSA turned to GSA for assistance in locating, designing and building this new data center, which will meet the agency's system redundancy and expansion needs for the long-term. We are committed to our partnership with SSA in defining its site, building infrastructure and space requirements. Currently, we are working with SSA to develop the facility design requirements and simultaneously conducting a search for land to house the new facility. Land purchase is scheduled for March 2010, with construction expected to start in March 2011. At the present, GSA has two RWAs with SSA for a total authorized and accepted amount of \$2.1 million.
- The Department of State (State) plans to use \$70 million of Recovery Act funds for a new Foreign Affairs Security Training Center. GSA is partnering with State for the site acquisition, design, and construction of a



new consolidated hard skills training center to support security related training for the Department and the wider foreign affairs community. We are currently working with State to develop this facility.

- We are providing acquisition, project management, planning, design/build, and construction management services in support of CBP's Land Port of Entry (LPOE) Modernization Program. CBP's Recovery Act funds will be utilized to replace eight aging LPOEs in four states along the northern border: Morgan, Scobey and Wild Horse in Montana; Churubusco in New York; Antler, Noonan and now Maida in North Dakota; and Frontier in Washington. Seven projects were awarded on August 14, 2009 using GSA's indefinite delivery indefinite quantity (IDIQ) contracts. Design kickoff meetings are currently underway and should be completed by the end of this month. The recently added Maida, ND LPOE is currently awaiting award pending 30 day DHS review. .

### Conclusion

Today, I have described our recent accomplishments and contributions to our nation's economic recovery through our investments in green technologies and reinvestment in our public buildings. We look forward to working with you and members of this Subcommittee as we continue to deliver this important work.